

**GREEN VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
Thursday, October 28th, 2021**

Board Directors Present:	Eric Sullwold Patricia (Pat) Carlstad Darlene (Dar) Hollingsworth John Green	Robert (Bob) Hedden George (Dr.) Orndorff Joseph (Hart) Krumrine
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<u>Board Directors Absent:</u>		
<u>District Staff Present:</u>	Dara Duffy	Lora Burruel
<u>Public Present:</u>	Eileen MacLaren	
<u>Clerk of the Board:</u>	Luis Rodriguez	

1. Call to Order and Roll Call – Chair, Eric Sullwold
 The meeting was called to order at 9:30AM by Chair, Eric Sullwold
 Roll call was taken. All seven (7) Board members were present; therefore, a quorum was announced.
 - A. Approval of September 23rd Board Meeting Minutes
 - Motion to approve the September 23rd, 2021, Board Meeting minutes
 Move: Pat Carlstad Second: Hart Krumrine Approved: 6/0 Abstain: Chair
 - B. Approval of September 23rd Executive Session Board Meeting Minutes
 - Motion to approve the September 23rd, 2021, Executive Session Board Meeting Minutes
 Move: Pat Carlstad Second: John Green Approved: 6/0 Abstain: Chair
 - C. Approval of September 30th Emergency Board Meeting Minutes
 - Motion to approve the September 30th, 2021, Emergency Board Meeting Minutes
 Move: Dar Hollingsworth Second: George Orndorff Approved: 6/0 Abstain: Chair
 - D. Approval of September 30th Executive Session Minutes
 - Motion to approve the September 30th, 2021, Executive Session Minutes
 Move: Pat Carlstad Second: Dar Hollingsworth Approved: 6/0 Abstain: Chair
2. General Business – Chair of the Board, Eric Sullwold. Provided an update on the condition of Pat Hernandez and wished her a speedy recovery.
 - A. Operations Report – District Manager, Dara Duffy
 1. Monthly Operations Report
 - a. Reviewed the DM’s Operations Report for September 2021. The Financial Reports have been modified. The DM explained the new Report includes a line item to track the percentage of our actual revenue and expenses versus the Budget. The new Financial Report also lists the current balances in our bank accounts. The Wells Fargo balance is \$1.304M, Alliance’s balance is \$1.124M.
 - b. We have \$153K remaining in our Well Fund. The Well Fund monies will be utilized to help pay for the Tower project. These funds can only be withdrawn in \$50K increments. YTD our Revenue is currently 11.5% of Budget and Expenses are (28.25%) of Budget. These figures will change based on the timing of the annual and semi-annual expenses.
 2. Current Capital Budget: Reviewed the District’s FY Capital Budget.
 On October 6th, the DM and other Board members attended a meeting with David Williamson and Bill Walker regarding the Canoa Ranch expansion north of Escondido Wash at the southern end of the District. They are currently re-platting and expect County approval by March 2022. Prior to construction, the County must install sewer lines with an estimated completion date in November 2022. They are predicting construction of 50 to 100 homes per year. Also had a meeting with Riley Engineering

on October 5th to work with the District staff to accomplish spot checks on actual pressure and functioning of the system to calibrate their hydraulic model. Riley's hydrology report is due in the next few weeks. The DM is planning to have Riley present their findings to the Technical Committee at the November Meeting. The DM also conducted a meeting with KE&G regarding their upcoming proposal on the Tower installation project. There is another contractor who will be submitting a bid as well.

3. Task List: Reviewed the DM's Task Lists. Many of the open tasks are currently on hold due to delivery issues such as the new truck for Jim Hadley and the meter change out project.

B. Technical Advisory Committee – Chair, Bob Hedden

1. Canoa Ranch Residential Expansion. In addition to Dara's update, once the new plat is received, the District can develop the infrastructure requirements. This will provide the basis for the District to develop an accurate Line Extension Agreement. The assumption is the County will require a substantial amount of time to install the sewer lines under I-19. Therefore, this will be a long process.
2. SCADA & FlexNet Propagation Study Up-date.
See the update provided in the DM's Task List report.
3. Meter Change out project Up-date.
See the update provided in the DM's Task List report.
4. Riley Engineering Up-date.

As a reminder, two of the reasons for enlisting Riley Engineering was to verify the accuracy of the District's existing infrastructure drawings and verify pressure readings in Canoa Ranch. The expectation is Riley's report will allow the District to provide accurate data for the Hydrology Study to support the Canoa Ranch expansion.

C. Financial Advisory Committee – Chair, John Green

1. Review Financials
 - a. Review September Operational Statements.
September's water usage was down 20 million gallons, mainly due reduced consumption of the golf courses due to the monsoon rains. However, this had a minor impact on the District revenue as verified by YTD Net Income of \$62,000. The new Financial Statements confirm that the District is currently doing well. The Chair reminded the Board these new Reports are a work in progress. One of the upcoming additional requirements is to insert the Budgeted figures into the Income Statement. This will allow better clarification of Revenue and Expense line items. The BOS plans to have the Budgeted figures incorporated by the November Board meeting. The point was made that the BOS is currently overloaded with work due to the DM and one of the Customer Service Representative being out of the office. Therefore, this must be taken into account when considering any projected completion dates for her. Year End Accruals will also be adjusted in the Statements in the near future. The District is also working on breaking out the Reserves and include the Capital Expenditure Statement to the monthly financial report as approved at the August Board meeting.
2. Upcoming November meeting with Auditors.
The audit by Clifton, Larson, Allen is complete. The cooperation of the District Staff has been superb. Dave Phillips, CLA Partner, will present their draft audit report at the November Finance Committee Meeting. The Finance Committee Chair will be unavailable, so he has scheduled a separate meeting with the Auditors on November 4th.

E. Personnel Advisory Committee – Chair, Pat Carlstad – No comment.

3. Call to the Public – Chair, Eric Sullwold

Eileen MacLaren commented that she was previously a Board Advisor and had attended many Board Meetings. The Board Chair invited her to return and consider becoming an Advisor again.

Members of the Board may not discuss or act on any items that are not specifically listed on this agenda. Therefore, pursuant to A.R. S. § 38-431.01(H), action taken as a result of public

comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a future Board Meeting.

4. Announcements – Clerk of the Board, Luis Rodriguez
 - A. The next Technical and Financial Advisory Committee Meetings are scheduled for Monday, November 15th, 2021, at 8:00AM and 9:00 AM respectively.
 - B. The next Board Meeting is scheduled for Thursday, November 18th, 2021, at 9:30AM.
 - C. Due to the holidays, the December Committee meetings will be held on December 13th, and the Board meeting will be held December 16th.
5. Executive Session - Pursuant to A.R.S. § 38-431.03 (A)(9) Discussion on the District's critical infrastructure. Information from the Executive Session is to remain confidential pursuant to A.R.S. §38-431.03(C).
- Motion to: Enter Executive Session to discuss the District's critical infrastructure.
Move: Pat Carlstad Second: Dar Hollingsworth Approved: 6/0 Abstain: Chair
6. The Board entered Executive Session at 9:51AM and reconvened the Regular Session at 10:19PM.
7. Adjournment
- Motion to Adjourn the meeting.
Move: Dar Hollingsworth Second: Hart Krumrine Approved: 6/0 Abstain: Chair

The meeting was adjourned at 10:20AM.

Minutes approved on November 18th, 2021.

Green Valley Domestic Water Improvement District

By _____
Luis Rodriguez, Clerk of the Board

By _____
Eric Sullwold, Chair of the Board